GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:847
ANSWERED ON:22.11.2002
RURAL SECTOR OBLIGATIONS OF LIC
PRABHA RAU

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Insurance Regulatory and Development Authority (IRDA) have urged the Life Insurance Corporation of India to meet their compulsory rural sector obligations;

(b) whether the existing regulations have not been conducive to the development of rural and social sector insurance;

(c) if so, the details of concrete proposals suggested and formulated in identifying and tapping the rural insurance business market; and

(d) to what extent the proposed change in the regulations is expected to boost the LIC business in rural areas?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE & COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)

(a): The Life Insurance Corporation of India (LIC) has reported that they are complying with the IRDA regulations relating to rural sector obligations.

(b) & (c): The Insurance Regulatory and Development Authority (IRDA) has reported that some of the insurers were not able to comply with the regulations in totality because of the difficulties in identifying the rural areas. Therefore the IRDA has notified the revised rural and social regulations on 16th October, 2002.

(d): With the revised changes in the regulations, the percentage of business of LIC in rural areas would increase.